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STATE DOCUMENTS

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STATE OF MONTANA  
BOARD OF INVESTMENTS  
DEPARTMENT OF ADMINISTRATION

ANNUAL REPORT TO THE GOVERNOR  
FISCAL YEAR 1974

JAMES R. HOWETH

Investment Officer

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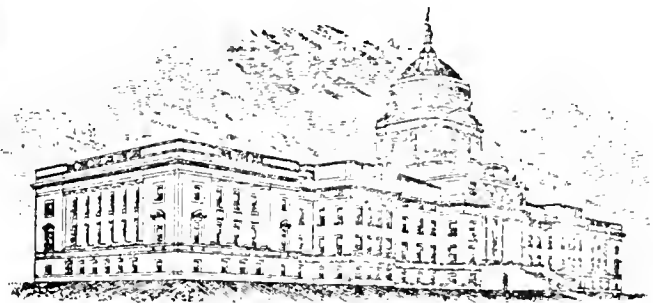


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# STATE OF MONTANA

DEPARTMENT OF ADMINISTRATION

## BOARD OF INVESTMENTS



STATE CAPITOL BUILDING  
HELENA, MONTANA 59601  
(406) 449-2656

October 10, 1974

Honorable Thomas L. Judge  
Governor of Montana  
Capitol Building  
Helena, Montana 59601

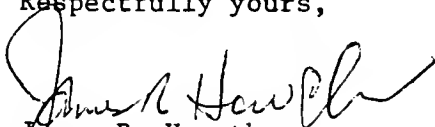
Dear Governor Judge:

In accordance with the requirements of Section 82-4002, R.C.M. 1947, there is herewith transmitted to you the report of the Board of Investments, covering the fiscal year ended June 30, 1974.

Major accomplishments are:

- Increased the investment earnings to the General Fund 162% to \$8.9 million.
- Increased the investment earnings on total State's investments 50% to \$30 million.
- Implemented a short-term investment pool for use of state agencies as well as all cities and counties within the state.
- Instituted a common stock investment program for the retirement funds.

Respectfully yours,

  
James R. Howeth  
INVESTMENT OFFICER

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## PRINCIPAL OFFICERS AND OFFICE

### BOARD MEMBERS

Paul D. Caruso, Chairman  
Dean H. Albert  
Robert Amrine  
Victor H. Fall  
Maxine Johnson

### TERM EXPIRES

January 1, 1975  
January 3, 1977  
January 3, 1977  
January 1, 1975  
January 3, 1977

### OFFICERS

James R. Howeth  
David J. Brown

Investment Officer  
Assistant Investment Officer

### OFFICE

Mitchell Building

Helena, Montana

## LEGAL REFERENCES

The statutes relating to the responsibilities of the Board of Investments are contained in sections 79-301, 79-306, 79-601, 79-1215, 82A-204, and 82A-205, R.C.M. 1947.

"82A-204 (4) The board of investments has the sole authority to exercise the investment function transferred to it under section 82A-205 of this chapter. No other agency may invest state funds. All laws governing the exercise of the investment functions remain in effect and the board shall direct the investment of state funds in accordance with those laws and the constitution of this state."....

# BOARD OF INVESTMENTS

## PROGRAM GOALS, OBJECTIVES, AND ACHIEVEMENTS

### GOAL

- Provide professional, efficient, and effective investment management of all State investment funds.

### OBJECTIVES

- Increase the investment earnings on the State's investment portfolios.
- Establish a sound system of control over the investment process, including unified accounting procedures.

### ACHIEVEMENTS

- Increased the investment earnings to the General Fund 162% to \$8.9 million.
- Increased the investment earnings on total State's investments 50% to \$30 million.
- Implemented a short-term investment pool for use of state agencies as well as all cities and counties within the state.
- Instituted a common stock investment program for the retirement funds.
- Total funds under management increased 22% to \$466 million.
- Processed \$1.8 billion in security transactions, an increase of over 100% from the prior year.
- Published the State's second annual report on investments.

# BOARD OF INVESTMENTS

## PROGRAM COST SUMMARY

	FY 1974	FY 1973	Increase (Decrease) in FY 1974
SUMMARY BY PROGRAM			
Investment Program	<u>\$141,275</u>	<u>\$ 98,418</u>	<u>\$ 42,857</u>
SUMMARY BY CATEGORY			
Personal Services	\$ 81,604	\$ 57,336	\$ 24,268
Operating Expenses	56,142	40,933	15,209
Equipment	<u>3,529</u>	<u>149</u>	<u>3,380</u>
TOTAL SUMMARY BY CATEGORY	<u>\$141,275</u>	<u>\$ 98,418</u>	<u>\$ 42,857</u>
SUMMARY OF FUNDING			
General Fund #01100	\$ 68,894	\$ 68,418	\$ 476
Teachers' Retirement System			
Accounting Appropriation		7,000	(7,000)
Public Employees Retirement System			
Accounting Appropriation		12,000	(12,000)
Social Security Accounting			
Appropriation		9,000	(9,000)
Workmen's Compensation Accounting			
Appropriation		2,000	(2,000)
Investments RA #07260	<u>72,381</u>	<u>-0-</u>	<u>72,381</u>
TOTAL SUMMARY OF FUNDING	<u>\$141,275</u>	<u>\$ 98,418</u>	<u>\$ 42,857</u>